

## **EXHIBIT 2**

January 13, 2012

Shana A. Shifrin, Esq.  
 Burke, Warren, MacKay & Serritella, P.C.  
 Matter: JP Morgan TCPA Settlement - Administration Cost Estimate

Douglas J. Campion, Esq.  
 Law Offices of Douglas J. Campion



## ADMINISTRATION ESTIMATE SUMMARY

### FULL ADMINISTRATION WITH ONLINE CLAIMS PROCESSING AND DISTRIBUTION SERVICES

**KEY ASSUMPTIONS:**

- 1 - Last-known mailing address will be available for all Class Members
- 2 - Claims will be filed online, over the phone, and by mail
- 3 - There will be no claim form; claimants will provide phone number called by Defendant to confirm identity and class membership

**CLASS SIZE:**

Total Estimated Class Size

1,700,000

**Filing Percentage and Number of Claims Filed**

	0.5% 8,500	1% 17,000	2.5% 42,500	5% 85,000
<b>SERVICES</b>				
Notification Procedures	\$ 773,980	\$ 773,980	\$ 773,980	\$ 773,980
Processing/Reporting	10,013	15,198	29,275	46,063
Distribution	22,103	28,256	54,765	96,480
<b>Total Estimated Administration Costs</b>	<b>\$ 806,096</b>	<b>\$ 817,434</b>	<b>\$ 858,020</b>	<b>\$ 916,523</b>

Cost Per Claim if Volume Exceeds 85,000: \$ 1.25

*Cost includes all services necessary to process and issue payment to claimants if volume exceeds 85,000.*

## COST ANALYSIS: GILARDI SERVICES AND THIRD PARTY EXPENSES (AT HIGHEST FILING RATE)

**GILARDI SERVICES:**

	Filing Percentage: Number of Claims:	5% 85,000	
Case Setup		\$ 900	
Mailing Database Preparation		5,400	
Software Customization		450	
Document Formatting		270	
Case Management		6,750	
Print Production Staff Hours		720	
RUM Scanning		25,500	
Staff Hours Performing Address Searches & Re-Mails		900	
Telephone Support (Less Printing & Postage for Notice Requests)		58,125	
Website Development		20,000	
Claims Processing		42,713	
Request For Exclusion Processing		1,050	
Reporting/Declaration		2,300	
Distribution (Less Check Printing & Postage Costs)		14,200	
Subtotal Gilardi Services (and Percentage of Total Estimated Costs)		<u>\$ 179,278</u>	20%

**THIRD PARTY EXPENSES:**

Printing Initial Notice	\$ 43,520	
1st Class Postage for Initial Notice	413,100	
National Change of Address Update	5,100	
Address Searches	89,250	
Remail Printing Costs	33,233	
Remail Postage Costs	70,380	
Fulfill Requests for Full Notice via Phone	383	
Check Printing	51,000	
1st Class Postage for Issued Checks	31,280	
Subtotal Expenses (and Percentage of Total Estimated Costs)	<u>\$ 737,245</u>	80%

**Total Estimated Administration Fees: \$ 916,523**

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### NOTIFICATION PROCEDURES

#### NOTIFICATION PROCEDURES

	Unit Rate	Volume	Cost	Total
<b>Document Formatting &amp; Class Data Preparation</b>				
Case Setup	\$ 90.00	10 hrs	\$ 900	
Mailing Database Preparation	\$ 90.00	60 hrs	5,400	
Software Customization	\$ 90.00	5 hrs	450	
Document Formatting	\$ 90.00	3 hrs	270	
Case Management	\$ 90.00	75 hrs	6,750	
NCOA			5,100	
Subtotal Formatting & Data Prep				\$ 18,870
<b>Printing/Mailing</b>				
Notice Packet:	\$ 0.026	1,700,000	\$ 43,520	
4.25" x 6" Notice Postcard				
Estimated 1st Class Postage	\$ 0.243	1,700,000	413,100	
Print Production Staff Hours	\$ 90.00	8 hrs	720	
Subtotal Printing/Mailing				
<b>Returned Undeliverable Mail Handling ("RUM")</b>				
Total % & # of RUM Pieces	15%	255,000		
RUM Scanning	\$ 0.10	255,000	\$ 25,500	
<b>Address Search Services (Skip-Tracing)</b>				
# of Searches (from RUM above)	\$ 0.35	255,000	89,250	
Class List Contains SSNs? (Y/N)	N			
# of New Addresses Found and Remail	75% \$ 0.174	191,250	33,233	
<i>Remails batched at volumes of 50,000+</i>				
Estimated 1st Class Postage for Remails	\$ 0.368	191,250	70,380	
Staff Hours Performing Address Searches & Re-Mails	\$ 90.00	10 hrs	900	
Subtotal RUM Handling & Address Searches				\$ 219,263
<b>Toll-free Telephone Support (Automated IVR &amp; Live Operators)</b>				
One-Time Setup			\$ 1,500	
Script and Decision Tree Development	\$ 90.00	10 hrs	900	
Monthly Charges	\$ 150.00	6 mos	900	
<b>Line Charges</b>				
IVR - % of class calling & estimated # of calls	1.5%	25,500		
Average minutes per call		4		
Total estimated IVR minutes	\$ 0.10	102,000 min	10,200	
Cost includes line charges and transcriptions				
Live operators - % rollover to a live operator	50%	12,750		
Average minutes per call		3		
Staff hours handling live calls	\$ 70.00	638 hrs	44,625	
Cost includes line charges and staff time				
% and # of Callers Requesting Full Notice thru telephone support	1%	255		
Fulfill Requests for Full Notice via Phone	\$ 1.50	255	383	
Subtotal Estimated Automated Telephone Support				58,508
<b>Website Development</b>				
Case-dedicated interactive website with online claim filing capabilities				20,000
Subtotal Notification Procedures				<u>\$ 773,980</u>

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### CLAIMS PROCESSING AND DISTRIBUTION

	Unit Rate	Projected Claims Filed (% and # of Claims)			
		8,500 Volume	17,000 Volume	42,500 Volume	85,000 Volume
<b>PROCESSING/REPORTING</b>		0.5% Cost	1% Cost	2.5% Cost	5% Cost
Claims Processing (cost per claim #'s reflect rounding)					
<i>Gilardi's Claims Processing Costs Include Claim Receipt, Evaluation, and Validation</i>					
Cost per Claim for 425 Claims Filed via Mail	\$2.25				
Cost per Claim for 850 Claims Filed via Mail	\$2.00				
Cost per Claim for 2,125 Claims Filed via Mail	\$1.75				
Cost per Claim for 4,250 Claims Filed via Mail	\$1.50				
Cost per Claim for 8,075 Claims Filed via Website or Phone	\$0.75				
Cost per Claim for 16,150 Claims Filed via Website or Phone	\$0.65				
Cost per Claim for 40,375 Claims Filed via Website or Phone	\$0.55				
Cost per Claim for 80,750 Claims Filed via Website or Phone	\$0.45				
Estimated Number of Claim Forms filed Online or by Phone	95%	8,075	16,150	40,375	80,750
Estimated Number of Claim Forms filed by Postal Mail	5%	425	850	2,125	4,250
<b>Request For Exclusion Processing</b>					
Estimated Number of Opt-outs	1	1,000	1,000	1,000	1,000
Minutes per Opt-out	\$ 70.00	15 hrs	15 hrs	15 hrs	15 hrs
Staff Hours Handling Requests for Exclusion		1,050	1,050	1,050	1,050
<b>Reporting/Declaration</b>					
Declaration of Notice Procedures	\$ 90.00	10 hrs	10 hrs	10 hrs	10 hrs
Assumes reporting 1x per week	\$ 70.00	15 hrs	15 hrs	20 hrs	20 hrs
<b>Subtotal Processing/Reporting</b>		<b>\$ 10,013</b>	<b>\$ 15,198</b>	<b>\$ 29,275</b>	<b>\$ 46,063</b>
<b>DISTRIBUTION</b>					
Settlement Fund Management (Incl. obtaining Tax ID)	\$ 90.00	5 hrs	5 hrs	5 hrs	5 hrs
Distribution Calculations	\$ 90.00	10 hrs	10 hrs	15 hrs	20 hrs
Distribution Preparation	\$ 90.00	20 hrs	20 hrs	30 hrs	40 hrs
<b>% &amp; # of Claimants receiving checks</b>	<b>100%</b>	<b>8,500</b>	<b>17,000</b>	<b>42,500</b>	<b>85,000</b>
<b>Check Print Rate (volume dependent)</b>		<b>\$ 1.25</b>	<b>\$ 0.75</b>	<b>\$ 0.65</b>	<b>\$ 0.60</b>
Issue Checks		8,500	17,000	42,500	85,000
1st Class Postage for Checks Issued	\$ 0.368	8,500	17,000	42,500	85,000
Settlement Fund Tax Reporting	\$ 2,500.00	1 yr	1 yr	1 yr	1 yr
Staff Hours Handling Check Re-issues	\$ 90.00	10 hrs	15 hrs	20 hrs	25 hrs
Final Accounting Services	\$ 90.00	20 hrs	25 hrs	30 hrs	40 hrs
<b>Subtotal Distribution</b>		<b>\$ 22,103</b>	<b>\$ 28,256</b>	<b>\$ 54,765</b>	<b>\$ 96,480</b>